

THE WALL STREET JOURNAL.

ELDERLY IN U.S. ARE PROJECTED TO OUTNUMBER CHILDREN FOR FIRST TIME

Census Bureau predicts milestone will be hit within 17 years

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March 13, 2018

People over 65 years old would outnumber children by 2035, a first in U.S. history, according to updated projections released by the Census Bureau on Tuesday.

The milestone would be the latest marker of the nation's aging, which has accelerated with baby boomers' move into their senior years and recessionary effects on births and immigration over the past decade.

The shift deepens challenges for fiscal policy and economic growth.

Trends in birth and immigration have also slowed the rate at which the country is becoming more diverse. Whites who aren't Hispanic will begin shrinking as a group by 2024. They would drop below half of the population by 2045, two years later than the bureau estimated just a few years ago.

By 2020, less than half of those under 18 years old would be non-Hispanic white.

The Census Bureau projects the country would grow to 355 million by 2030, five million fewer than it had estimated three years ago. That is an annual average growth rate of just 0.7 percent, in line with recent rates but well below historical levels.

Unlike many European nations, the U.S. would continue to grow, reaching 404 million by 2060. It would rival fast-growing Nigeria as third-most-populous, after India and China, according to census and United Nations projections.

"This is a country that should be grateful for all the immigration it's had over the last 25 years," said William Frey, a demographer at the Brookings Institution. "These projections put even more of an exclamation point on it."

Lower population growth could drag on economic growth. This year's prime-age workforce – ages 25 to 54 – is about 630,000 smaller than the Census Bureau projected it would be just three years ago. The bureau projects the prime-age workforce will grow 0.5 percent a year through 2030, down from a 2014 projected annual rate of 0.58 percent for the same period.

The growing elderly population will also put pressure on lawmakers to shift funding toward programs such as Medicare and Social Security, particularly because elderly Americans vote at high rates, said Kenneth M. Johnson, a demographer at the University of New Hampshire.

"The share of population that's the working share is going to matter a lot," said Steven Lugauer, assistant professor in the department of economics at the University of Kentucky. "If it's going to be even fewer workers than previously thought, it's going to weigh on

growth even further.” However, advances in automation that allow robots to replace workers could help offset that, he said.

The projections are the first since 2015. They include revisions to birth and death and immigration rates, the key drivers of population growth.

In 2015, the latest year for which final data is available, the U.S. birthrate matched the low set in 2013: 62.5 births per 1,000 women ages 15 to 44. Preliminary data show the rate dropping to 62 in 2016, and to 60.6 in the year that ended in September.

The projections assume no major changes in immigration policies.

As the nation ages and birthrates remain historically low, immigration looms larger in shaping the future. The bureau projects that by 2030, net immigration would rival natural increase – the surplus of births over deaths – as a share of population growth. By 2040, immigration would be more than twice as large as the natural increase.

As a result, the share of Americans who are foreign-born, now about 13 percent, is expected to reach a record 14.9 percent by 2028, topping a mark set in 1890. That share would rise to 17.2 percent by 2060.